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Human Resources practices and workplace environmental support

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Abstract.

The key to retaining employees lies on the organization's capability of supporting employees by understanding and answering to their intrinsic motivators. It is important for employees to perceive a positive and valuing attitude of the organization toward them in order to have greater motivation for staying in the organization. Such condition for employee retention is based on the social exchange theory which holds that the exchange relationship between employer and employee goes beyond exchange of impersonal resources such as money, information, and service. One of the leading challenges in creating attractive and supporting working environment has been implementing effective human development strategies to enhance organizational performance and employee commitment. Therefore, managing human resources plays a crucial role in a process of increasing organization, starting from line managers who need to be aware of factors that motivate their subordinates to make them perform well, ending up with human resources professionals who have to understand motivation to effectively design and implement reward structure and systems.

In employment situation, as in personal relationships, commitment is a two-way street. If employers want committed employees, they need to be committed employers. Committed employees do better work than uncommitted ones and organizations with committed workers do better financially than organizations with uncommitted ones. Employers need to determine what is responsible for this disparity. Many employees perceive that employers do not value loyalty and are willing to sacrifice workers to maintain the financial bottom line. Employees point to decades of downsizing, rightsizing, and re-engineering as the evidence that employers treat them as expendable commodities when times get tough (Bragg, 2002).

Key words: HR Management, organizational performance, employee commitment

Introduction

People spend a large part of their time at work no wonder they constantly seek ways to make that portion of their lives more comfortable. It has often been said that the most important asset of any organization is its employees. Indeed, people and the management of people are increasingly seen as key elements of competitive advantage (Allen, & Wright, 2007; Boxall, & Purcell, 2003). Unlike

traditional views on competitive advantages which emphasized such barriers to entry as economic scales, access to capital, more recent views have highlighted on organizations' strategic management of its human resources as a source of competitive advantage (Bamberger, & Meshoulam, 2002), which cannot easily be acquired or imitated. The importance of people management as a critical source of competitive advantage has been

highlighted because of the increasingly competitive global marketplace facing organizations. Organizations are therefore seeking to understand how to create an attractive and supporting working environment in the workplace. While researchers have given far less attention to the implications of commitments for employees themselves, research on the links between commitments and employee well-being is becoming more common (Meyer & Maltin, 2010).

One of the leading challenges in creating attractive and supportive working environment has been implementing effective human development strategies to enhance organizational performance and employee commitment. A great amount of worldwide of institutional knowledge occurs in a form of human capital. Therefore, managing human resources plays a crucial role in a process of increasing organization, starting from line managers who need to be aware of factors that motivate their subordinates to make them perform well, ending up with human resources professionals who have to understand motivation to effectively design and implement reward structure and systems. It seems to be obvious that organizations need motivated employees and without any doubts motivation is an important aspect of human resources management. However, because of a complex nature of human behavior, motivation is not easy to understand and to use.

Why do employees work? This is not a new inquiry, but the answer has been the quest of many management experts for years (Hertzberg, 2004). It is generally agreed upon that if an employer can

identify the reasons and remains with an organization, the employer might then be able to apply these motivational factors unilaterally to the entire workplace. Applying this knowledge and fashioning the employment atmosphere to better accommodate the motivational factors of the employee, the employer becomes a more desirable employment destination, retaining employees longer, and increasing productivity and service at the same time.

The key to retaining key employees lies on the organization's capability of supporting employees by understanding and answering to their intrinsic motivation motivators. It is important for employees to perceive a positive and valuing the attitude of the organization towards them in order to have greater motivation of staying in the organization. Such condition for employee retention is based on the social exchange theory which holds that the exchange relationship between employer and employee goes beyond exchange of impersonal resources such as money, information, and services. It also involves social exchange of social emotional resources such as respect, approval, integrity, open communication, and support (Eisenberger et al., 2001). Eisenberger and colleagues describe such social exchange through the concept of perceived organizational support (POS).

Social exchange theory holds that individuals are more likely to value received resources when based on discretionary decision rather than situations beyond the donor's control. This voluntary provision of support indicates that the donor shows value and respect for the recipient (Cotterell et al.,

1992; Eisenberger et al., 1999). Therefore, organizational rewards and favorable job conditions such as pay, promotions, and job enrichment tend to have greater contribution to perceived organizational support (POS) if employees perceive them being originated from voluntary actions instead of from external constraint (Eisenberger et al., 1999). Organizational support theory also motivates consequences of perceived organizational support (POS) by addressing to psychological processes. First, one of its key concepts is the norm of reciprocity which “requires employees to respond positively to favorable treatment from one’s employer” (Eisenberger et al., 1997).

With basis on the reciprocity norm, perceived organizational support (POS) is expected to generate in employees’ behavior a felt obligation to care about the organization’s welfare and to help it reach its goal (Eisenberger et al., 1997). Similarly, the social exchange theory argues that employees who are more likely to leave the organization tend to be those who perceived low support and low feeling of obligation towards the organization (Wayne et al., 1997). The effects of reciprocity between parties on employee commitment and voluntary turnover are also addressed by the Psychological Contract Theory. Schein 1980 argues that the expectation that the organization and the employee have about the specific resources each owes to other is reflected in the psychological contract between these parties (Schein, 1980; Aselage & Eisenberger, 2003). These contracts are defined by Rousseau (cited in Aselage & Eisenberger, 2003) as an implicit understanding of mutual obligation between the employee and employing organization.

With continues reciprocation beyond formal agreements, psychological contract between parties tend to be enhanced. This is likely to not only motivate employees to deliver work performance beyond organization’s expectations, but also to influence their desire to stay in the organization. In contrast, once the organization fails in meeting terms of this psychological contract, employees will be less likely to work beyond their explicit job responsibilities and more inclined to leave the organization for better job alternatives (Eisenberger et al., 1997).

ORGANISATION ACTIONS THAT ENCOURAGES COMMITMENT

In business, as in personal relationships, commitment is a two-way street. If employers want committed employees, they need to be committed employers. Committed employees do better work than uncommitted ones and organizations with committed workers do better financially than organizations with uncommitted ones. Yet, fewer than half the employees in today’s workforce feel committed to their employer (Bragg, 2003).

Employers need to determine what is responsible for this disparity. According to employees, employers do not value loyalty and are willing to sacrifice workers to maintain the financial bottom line. Employees point to decades of downsizing, rightsizing and re-engineering as evidence that employers treat them as expendable commodities when times get tough (Bragg, 2002). While organizations still want their workers to be productive, to be proud of their organizations and to remain with them for a reasonable period of time,

they need to acknowledge that employees also have needs both as employees and individuals. The relationship between employers and employees has evolved significantly, but unfortunately organization practices have not kept up pace with the changing needs of employees.

A study by Aon Consulting in Canada in 2000, which looked at the effectiveness of various organizational practices in building employees commitment, identified five areas, namely (1) safety and security, (2) rewards, (3) affiliation, (4) growth and (5) work/life harmony (Madigan & Dorrell, 2000). According to the results of the study, 60 percent of employees reported that their co-workers improved their skills to make a better contribution to the organization. Furthermore, 70 percent were satisfied with their training provided on the job. One of the major areas that needed attention however was work / life harmony. While over 70 percent of the employees felt their organizations had demonstrated an increased effort over the past year to support its employees' needs in this area, few workers reported that they were actually receiving help in child - and elder care, the two areas most often cited as being essential to work / life balance. While a great deal of attention has been focused on the concept of work / life harmony and employers generally recognized its importance, they need to review and adjust all practices in such a way that they accommodate their employees' personal needs. Employers will benefit by doing so, considering the fact that 29 percent of employees rank work / life harmony as being either the most or second most important factor in taking a job (Madigan & Dorrel, 2000).

DRIVERS OF EMPLOYEE COMMITMENT

Bragg (2002) identified the following three drivers as the key factors influencing an employee's commitment.

Fairness:

Fairness implies the elimination of one's feelings, prejudices and desires to achieve a proper balance between conflicting interests. The problem with fairness is that it is subjective. Again, perception is reality. To create a perception of fairness, employers should pay competitive wages, create and administer policies that are unbiased, offer competitive benefits, provide timely, accurate and useful performance appraisals, promote the most qualified employees and develop employees by providing opportunities for growth. Affording employees the opportunity to voice their concerns, play a vital role in ensuring interactional justice. Various research studies (Bies & Shapiro, 2008; Shapiro, 1991; Shapiro, Buttner & Barry, 1994) demonstrated that an unfavorable outcome, such as not receiving a promotion because of affirmative action measures, is better received by a receiver when she is treated in an interpersonally fair manner such as being given an explanation for a decision.

In such instances, although the employee might feel that the decision is not distributively fair, he or she will remain committed to the organization because he or she was treated with respect and fairly.

Trust:

To nurture commitment, employers create an environment of trust. If employers wish to develop and maintain trust, they should do what they will do, be consistent, maintain confidence, be a role model of behavior, encourage involvement, allow people to make decisions that affect their work, allow people to make mistake without fear or ridicule, learn from mistakes and not crucify scapegoats, explain reasons for major decisions and act on employee suggestions.

It is interesting to note that research by Mathieu and Zajac (1990), concluded that the link between commitment and performance was largely non-existent and commitment to supervisors was more strongly linked to performance than commitment to organizations. One implication of these results is that human resources professionals concerned with employees performance should focus their efforts on commitment to supervisors rather than commitment to organizations. Supervisors play a crucial role in the perceptions employees form about the organization's supportiveness and the extent to which it can be trusted to look after their interests. Lanphear (2001) concurs with the important role supervisors and managers play in building employee commitment. According to the author, high – quality managers are one of the principal factors in retaining high quality employees hence the need for organizations to ensure that they select, train, evaluate and reward managers for trustworthy behavior. Effective managers inspire loyalty, trust and admiration.

Concern for employees:

Employees should be regarded as people, not factors of production. Employers should provide job security as far as possible, train and develop employees, be flexible to accommodate employees' issues, be open and honest and allow employees to have a life outside work. According to Madigan and Dorrell (2000), 15 percent of employees feel that their organizations' performs below expectation in providing a safe and secure workplace. This could be attributed to the fact that organizations have emerged from an era of tremendous change in the work world and an economic downturn, which had evidently left many employees feeling uncertain about stability of their jobs. Another disappointing fact is that 34 percent of employees believe that their organization does not demonstrate their importance of retaining employees and only 48 percent would recommend their organization as a place to work (Madigan & Dorrell, 2002).

Whitener (2001) conducted a research exploring the relationship between human resources practices and organizational commitment. The results indicated that human resources practices affect the relationship between perceived organizational support and organizational commitment. By relying on the social exchange theory, the study has shown that employees' commitment to the organization derives from their perceptions of the employers' commitment to and support of them. Recognizing this tendency to personify the organization, researchers predicated that positive, beneficial actions directed at employees by the organization contribute to the establishment of high – quality exchange relationship which creates obligations for employees to reciprocate in positive, beneficial ways.

Employees interpret organizational actions as such as human resources practices and the trustworthiness of management as being indicative of the personified organization's commitment to them. They reciprocate their perceptions accordingly in their commitment to the organization.

Human resources practices can be classified as "control" or "commitment" practices (Wood & De Menages, 1998). The aim of control approaches is to increase efficiency, reduce direct labour costs, and rely on strict work rules and procedures, and base rewards on outputs (Arthur, 1994). Rules, sanctions, reward and monitoring thus regulate employee behavior. In contrast, commitment approaches aim to increase effectiveness and productivity and rely on conditions that encourage employees to identify with the organization's goals and work hard to accomplish such goals. The practices that represent a high commitment strategy include selective staffing, developmental appraisals, competitive and equitable compensation, and comprehensive training and development activities (Mac Duffie, 1995; Snell & Dean, 1992).

CONCLUSION

It has often been said that the most important asset of any business is its employees. Indeed, people and the management of people are increasingly seen as key elements of competitive advantage (Allen, & Wright, 2007; Bozall, & Purcell, 2003, Pfeffer, 1998). Progressive organizations design their human resources management in such a way that it must cater for their employees' needs. In many cases, these organizations invest significantly in

supporting key employees to develop skills and grow within the organization. One of the challenges facing modern organizations involves maintaining employee commitment in the current business environment. In today's workplace, employees face more ambiguity in their daily activities and decrease job security (Bergman, Lester, De Meuse & Grahn, 2000). With no assurance of continued employment, workers have now raised their expectations in other areas. For example, employers expect to demonstrate their commitment in terms of pleasant working conditions, access to training and development, provision of a safe working environment and a balance between work and employees' commitment outside the workplace. An important mechanism to manage organizational commitment is substantial human resources policies and practices that are fair.

Such human resources policies and practices of caring and respect for individual needs of employees are expected to contribute to increase perceived organizational support among employees. It appears that many progressive organizations, manage their practices of growth opportunity in total accordance with such style. These organizations indicate to have a management that is open and that encourages people to try new activities and career paths inside the organization in order to find better ways of working. By doing that, these organizations indicate to be contributing to greater perceived organizational support since they signal to be providing resources to support employees in assessing their own

identities and values that helps them to have clearer directions for development.

According to the theory of perceived organizational support, meeting employees' growth needs to lead to employees' commitment (Eisenberger et al, 1986; Eisenberger et al, 1977). Concerning progressive employers, it is indicated that employees are likely to develop affective commitment to their job-related activities as consequence of feeling supported to continuously develop in their working skills. This is in accordance with studies about organizational commitment which hold that key employees such as technical, professional or knowledge workers tend to be more emotionally bonded to their work than to the organization. (Von Glinow, 1988).

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